

LNF & IHCIF Calculations Illustration **- ONEIDA in Nashville area -**

Given Data

- 1,974 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 102.5% = Cost index for purchasing health care in this geographic area
- 126.0% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

Cost Adjustment Calculations

- \$611 per person for purchased services = $20\% * 102.5\% * \$2,980$
- \$3,004 per person for in-house services = $80\% * 126.0\% * \$2,980$
- \$3,615 per person total = \$611 (purchase) + \$3,004 (in-house)
- **\$3,468 per person total** adjusted for health status = $\$3,615 * 95.9\%$
- **\$2,723 per person net cost** = $\$3,468 - \745 Other resources (M&M&PI)

Existing Expenditures (for 1,974 users excluding wrap-around and collections)

- \$1,057 per person = local IHS allowance (excludes \$ for wrap-around)
- \$154 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,265 per person for OU users** = $\$1,057 + \$154 + \$54$

LNF Calculation

- **36.5% Gross LNF** = $\$1,265$ (expenditures) / $\$3,468$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **46.5% Net LNF** = $\$1,265 / \$2,723$ net cost ($\$3,468 - \745 other)

IHCIF Allocation

- \$727,715 = \$ to raise LNF% from 46.5% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$25,383 Allocation** = $\$727,715$ needed for 60% * 3.488% IHCIF fraction

ONEIDA Unmet Needs

- **\$5,375,559 Net Total Need** = 1,974 users * \$2,723 net cost
- **\$2,877,938 Net Unmet Need** = $(100\% - 46.5\% \text{ LNF}) * 1,974 \text{ users} * \$2,723 \text{ net cost}$